



Committee On Finance

Max Baucus, Chairman

NEWS RELEASE

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Contact: Carol Guthrie
202-224-4515

Remarks of Senator Max Baucus (D-Mont.) Regarding The Future of the Children's Health Insurance Program

This edition of Health Affairs highlights key challenges in children's health care that we must confront together. I'm here to outline the congressional roadmap for the Children's Health Insurance Program.

Last week, so many of us were struck by a story in the Washington Post and on the NBC Nightly News.

It was the story of Deamonte Driver, a boy from Maryland who needed his tooth extracted. His family did not have health insurance. His mother could not afford the \$80 procedure.

Deamonte's tooth became infected. The infection spread to his brain. Despite emergency surgery, he died at the hospital. For want of an \$80 procedure, a quarter of a million dollars of medical care could not save this child.

Len Nichols said our nation's health insurance crisis is first and foremost a moral issue. Len got it right.

Deamonte's death was completely preventable. And what compounds the tragedy is that Deamonte was eligible for Maryland's CHIP program. But his mother did not know.

So many working parents are in exactly the same place. They earn too much to qualify for Medicaid. They still cannot afford health coverage. And they do not realize that help is available.

This year, Congress has a historic opportunity to help those families. We have a chance to make good health policy for children. And we have a chance to do the moral thing.

The Finance Committee's top health priority this year is re-authorizing the State Children's Health Care Program or CHIP.

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The law that we passed 10 years ago has been a success. During the past decade, the share of uninsured children has dropped by one fifth.

For the poorest children — those with family incomes less than twice the federal poverty level — the share of uninsured children has dropped by a third.

CHIP has held the number of uninsured children down, even as the number of uninsured adult Americans has increased.

But Congress cannot rest on its laurels. We have to act not only to continue CHIP, but to build on its success. And we have to do it before CHIP's authorization and funding expire on September 30.

So the Finance Committee is poised to act. And there are five principles that I will pursue in reauthorization:

We must provide adequate funds to keep coverage for those who have it now. The President's budget does not even do that.

We must also reach the six million children who are eligible for coverage under CHIP or Medicaid, but not enrolled. Deamonte's story proves that.

We must support state efforts to expand CHIP coverage to more kids.

We must improve the quality of health care that children receive.

And whatever we do, we must not add to the numbers of the uninsured.

There will be challenges on the path to re-authorization.

First among them is the need to address shortfalls in federal funding for 14 state programs this year.

Senator Chuck Grassley and I added a stopgap funding measure into the NIH bill last year that should stave off most shortfalls until May.

But some states are still on the brink. And even if we fix this year's shortfalls, many more states will face funding gaps in the coming years unless we ensure a predictable funding stream.

I will work with Senator Grassley and Majority Leader Reid to address this year's shortfalls in the near term. What shape the fix will take is still unclear, but we will act before reauthorization to avert a crisis in funding.

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What can we learn from states' shortfalls? There are too many eligible, uninsured kids and not enough money to provide for their coverage.

Ten years ago, we simply did not know how much funding would be needed. We know more now.

So CHIP reauthorization must take a forward-thinking approach on funding. We must not only cover shortfalls, but we must also fund the cost of reaching those uninsured children eligible for the program. And we must consider the likelihood of continuing increases in health care costs.

And CHIP reauthorization also presents critical opportunities to improve the quality of care for children.

Nearly all states do some voluntary reporting on whether kids are getting care. But we don't get information on the quality of care kids receive.

We should encourage more reporting. But we should also invest in developing national, uniform standards to measure quality in children's health.

We are making great strides to improve the quality of health care for adults through Medicare. Yet Medicaid and CHIP spending is half of what we spend in Medicare and there is no comparable investment in quality standards for children. We can and must do more.

For the first time in our history, a child born today may have a shorter life expectancy than her parents due to the threats of obesity and related illnesses. CHIP reauthorization must strengthen prevention and early screening benefits, or we will simply be overwhelmed.

A number of factors affect the quality of care for children. Nearly one-third of the six million children receiving CHIP every year lose coverage when changes in family income, paperwork problems, or non-payment of health premiums knock them off the program. Some become eligible for CHIP again. But half of these children are still uninsured after six months.

Children cannot get quality care if they don't have continuous health coverage for at least a year. Children "churning" on and off of CHIP miss important annual exams and follow-up care. That churning has to stop.

As we reauthorize CHIP, we should keep in mind the deep need for broader health reform. All Americans are affected by the millions of uninsured regardless of their personal circumstances.

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The costs and inefficiencies associated with caring for the uninsured spread throughout the entire health care system. We all pay. Beyond CHIP, we must move toward universal coverage. We must contain costs, develop insurance pools, focus on prevention, and improve quality and accountability.

I am committed to furthering a national dialogue on broader reform, to develop sound sustainable policies to get quality care to all Americans. I was heartened to read last week that a majority of Americans share this commitment to solving our nation's health care crisis.

Let's start with kids — and the Children's Health Insurance Program.

Thank you all for the dedication and commitment that you all bring to one of our greatest national priorities. I look forward to working with you to protect and secure the health of America's next generation.

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